

# MM Flowers FY24 Modern Slavery Statement

## Contents

|  |   |
|--|---|
| 1. Introduction.....                               | 1 |
| 2. Our Business .....                              | 1 |
| 3. Our Approach.....                               | 2 |
| 4. Governance.....                                 | 2 |
| 5. Policies and Procedures .....                   | 2 |
| 6. Risk Identification and Assessment .....        | 3 |
| 7. Preventing, Managing and Mitigating Risks ..... | 4 |
| 8. Capacity Building .....                         | 5 |
| 9. Tracking our Progress .....                     | 6 |
| 10. Future Plans .....                             | 6 |

## 1. Introduction

Modern Slavery is a crime and violation of fundamental human rights. Modern Slavery exists in many forms including forced and compulsory labour, bonded and child labour, human trafficking, servitude, and slavery. Whilst varying in nature, all guises of Modern Slavery result in deprivation of a person's liberty by another for commercial or personal gain. MM Flowers (MM) recognises that Modern Slavery is a global issue, and that no country, sector or industry can be complacent or considered immune.

We recognise and understand our responsibility to prevent, mitigate and remediate the risks of Modern Slavery in our operations and supply chain. MM will always treat people fairly and with respect. We continuously review and improve our practices to ensure we have effective responses to prevent, mitigate and remediate any negative impacts on human rights.

This Statement details MM's policies, procedures, controls, and actions taken to identify, prevent and eradicate Modern Slavery, within our operations and supply chains.

## 2. Our Business

This is MM's eighth Modern Slavery Statement and covers FY24, running from 1<sup>st</sup> September 2023 - 31<sup>st</sup> August 2024. MM's annual turnover in this period was £351.6 million.

MM manufactures floral and food gifts for UK and European retail and wholesale markets. Our predominant operation is importing, processing, and distributing cut flower bouquets for UK and European retailers for both stores and online platforms. MM is owned by three shareholder companies: AMFRESH Group, Vegpro Group (East Africa) and The Elite Group (South America). Our headquarters and main production facility is in Alconbury, Cambridgeshire, UK supported by an additional packing facility in Chatteris, UK as well as a field crop packing centre in Lincolnshire, UK. We also have two businesses and processing facilities in the Netherlands at Aalsmeer and Voorhout. All business units work with suppliers and growers from around the world.

MM benefits from a vertically integrated supply chain with a significant proportion of the flowers we source being grown on large scale equatorial shareholder farms in Kenya, Ethiopia, Colombia, and Ecuador. The remainder largely comes from strategic growers in the Netherlands and UK where we hold long standing, trusted relationships. This means that we have full visibility, in-depth knowledge of day-to-day operations and significant influence across much of our value chain, which is critical when addressing broader sustainability challenges. This ensures functions such as Environment, Social and Governance are aligned across the Group to drive the greatest impact.

### 3. Our Approach

MM's overall approach to upholding Human Rights and tackling Modern Slavery is underpinned by internationally recognised standards, codes and declarations including:

- [The Ethical Trading Initiative \(ETI\) Base Code](#)
- [The amfori BSCI code of conduct](#)
- [The United Nations Sustainable Development Goals \(SDGs\)](#)
- [The United Nations Declaration on Human Rights](#)
- [The United Nations Guiding Principles on Business and Human Rights \(UNGPs\)](#)
- [The United Nations Global Compact](#)
- [The International Labour Organisation \(ILO\) Declaration on Fundamental Principles and Rights at Work](#)

MM's social sustainability strategy focuses on salient Human Rights issues, sourcing origin country level risks and known industry concerns. The approach is informed by customers and aims to prioritise areas where MM has considerable influence to drive positive change either through shareholder growers or volumes of products sourced. We expect our suppliers to cascade our requirements and expectations along their supply chains.

### 4. Governance

MM is governed by a shareholder board with two Directors from each of the three owners as well as MM's Managing Director (MD) and Group Finance Director. The Board meets three times a year and holds ultimate accountability for Modern Slavery.

MM has a Group Leadership Team (GLT) made up of the MD and 14 Directors including two non-executive directors. The Group HR Director holds day to day responsibility for Modern Slavery in our own operations and the Group ESG Director holds day to day responsibility for Modern Slavery in our supply chains.

The MM Board is updated quarterly on human rights progress and the GLT is provided with a weekly overview of key activities currently taking place. We collaborate closely with internal functions such as namely HR, Procurement, Technical and Operations to ensure daily business decisions are aligned to our broader social sustainability strategy and commitment to tackling modern slavery.

### 5. Policies and Procedures

Issues of Modern Slavery are addressed through our internal worker-facing and external supplier-facing policies and procedures which together implement the principles of the Ethical Trading Initiative (ETI) Base Code and align with that of our customers. MM will always endeavour to work collaboratively with any supplier however if they repeatedly do not meet our requirements, after relevant support is provided by MM, we reserve the right to terminate sourcing relationships as a last resort.

Policies applicable internally for our own operations:

**Whistleblowing Policy:** MM's whistleblowing process including protections afforded to whistleblowers. This includes confidential multilingual options for our all in our teams

**Grievance Policy:** MM's grievance policy including how to raise an issue in the workplace and how this will be followed up and resolved

Policies applicable internally for our own operations and externally to our supply chain:

**Human Rights Policy:** details our approach to respect, protect and promote Human Rights within our own operations and those within or affected by our extended supply chain

Policies applicable externally for our supply chain:

**Responsible Sourcing Code of Conduct:** explains the requirements we expect of our suppliers including the ETI Base Code, performance in ethical audits and approach to worker welfare

## 6. Risk Identification and Assessment

Modern Slavery risks change quickly, and we are aware there may be the risk of Modern Slavery within our own operations and supply chains. As a result, we regularly assess and respond to risks through a risk assessment process to identify business activities with the greatest risk and identify what steps and actions we can take to mitigate these risks.

To maintain up to date knowledge of current and developing Modern Slavery risks the ESG Team and HR Department conduct regular horizon scanning. This includes general research as well as inputs from professional bodies, networks, NGOs and internal intelligence.

### 6.1 UK Own Operations

We are aware that due to the low skilled, manual nature of the work within our operations and our site locations close to high-risk UK agricultural areas, we are as a business exposed to a heightened risk of Modern Slavery. This risk is particularly high during peak floral events such as Valentine’s Day when demand for labour can quadruple, resulting in reliance on agencies for short, intense periods. At these peak times over 32 nationalities are represented across our sites with 30 languages spoken presenting challenges such as communication and training.

The table below details our workforce breakdown across all three UK sites as a snapshot in time at the end of this Modern Slavery Statement reporting period. The data is split by office and operations colleagues because we are aware the risk of Modern Slavery is considerably greater in operations.

| UK workforce on 31/08/24         | Total number of employees |
|----------------------------------|---------------------------|
| Office colleagues                | 190                       |
| Permanent operational colleagues | 679                       |
| Temporary operational colleagues | 242                       |

### 6.2 Supply Chain

Regular risk assessments are conducted by our procurement, ESG and technical teams for all supplying sites which focus on 5 key areas:

- 1) **Management systems:** Accreditations, certifications, and industry recognised standards
- 2) **Length of relationship:** Trust, transparency and sharing of business risks
- 3) **Sourcing country:** Inherent country risk identified as high, medium or low
- 4) **Labour:** Policies and practices to promote worker welfare
- 5) **Previous ethical compliance:** Social audit performance plus insight from in person field visits

Our supply chain can be split into perishable and non-perishable products. Our sourcing models and close commercial relationships with suppliers ensures that we maintain a good overview of how our suppliers operate their businesses, the risks that they face and the actions they are taking.

#### 6.2.1 Perishable Suppliers

Our Flowers, Foliage and Fillers, are sourced from approximately 400 grower sites spanning 23 different countries, predominantly across East Africa, Europe, UK, and South America. Overall, our growers can be divided as follows:

**Directly Owned and Partner farms:** Approximately 97% of our perishable material comes from farms which are either directly owned and managed by our shareholders or from partner farms who we have built up strong long-term relationships with and have regular open conversations. We are proud to have strong working relationships with these farms through joint projects, support and regular in person visits. All ESG priorities between MM and shareholder farms are aligned through shareholder ESG leads and farms mostly employ permanent workers and have well developed worker voice and grievance mechanisms.

**Auction/Agents:** Approximately 3% of our perishable material comes via auctions or agents where we do not have a direct relationship with the grower. We reduce risks by ensuring minimum certification standards and satisfactory supply chain traceability for all purchases.

### 6.2.2 Non - Perishable Suppliers

Packaging and sundries cover a range of different materials including cardboard, plastics and novelty items sourced from 32 direct suppliers spanning 8 different countries. We are aware that these supply chains are likely more complex compared to perishable supply chains with additional stakeholders involved. This is an area of identified risk and suppliers are subject to specific due diligence requirements.

## 7. Preventing, Managing and Mitigating Risks

We apply a range of due diligence measures and procedures to manage the risks of Modern Slavery in our own operations and supply chains.

### 7.1 UK Own Operations

Permanent colleagues are engaged through an open and transparent recruitment process with the HR Department securing and checking individual bank details, emergency contact and home address details. All colleagues undertake an induction process which includes information on Modern Slavery, whistleblowing, grievances, and workers' rights.

To ensure a well managed and safe recruitment of agency colleagues, our UK production facilities use the labour provider Staffline, which is one of the largest labour providers in the UK and is Gangmasters and Labour Abuse Authority (GLAA) licensed. Our HR team formally meets with Staffline every week. They are audited every six months using 'Complyer', which is a comprehensive tool for auditing legal compliance in agency labour provision. Any second tier agencies are also audited by both Staffline and MM.

MM provides an external, independent, and confidential whistleblowing hotline, where anyone can raise issues of concern. The contact details are provided to all employees at their induction and the phone number is displayed at numerous locations across the site. Any incidences are reported back to the HR Department and relayed to the senior leadership team to be dealt with as appropriate.

Our grievance policy clearly sets out the steps colleagues can take to raise issues of concern within their working environment in a safe and supportive way. Our employee forum, "The Voice", provides a platform for all MM employees and agency colleagues to express opinions, views and share ideas about their work and workplace with members of the Leadership team. It meets every month with the aim to strengthen relationships, improve colleagues' engagement and to encourage constructive 2-way communications allowing our people to have a real voice. It also provides a platform for leaders to provide business updates, share projects and listen to the views of colleagues who work for us.

We also undertake an anonymous worker voice engagement process called nGaje which electronically collects colleagues' views on a range of categories. Workers complete the survey in their own language on either their personal smart phone or a laptop which is provided in a confidential location. The results from the survey are shared internally with senior management and shared with retail customers.

In October 2023 MM joined the Modern Slavery Intelligence Network, a pioneering non-profit organisation proactively sharing intelligence on modern slavery risks between members to enhance MM's effectiveness in preventing modern slavery and labour exploitation within our own operations and supply chain.

## 7.2 Supply Chain

At all times, we remain alert to the risks of Modern Slavery within our supply chains. We require suppliers to follow our below 3 pillar due diligence approach to help identify, prevent, and mitigate Modern Slavery:

- (1) Responsible Sourcing Code of Conduct:** our sustainability due diligence pack sets out the ethical and environmental standards that we require from our suppliers. The pack raises the issue of Modern Slavery and provides a link for UK growers to undertake Stronger Together Training. We also request that they provide us with their plans to identify, prevent and remedy Modern Slavery, trafficking, and hidden labour exploitation plus their Modern Slavery Statement where applicable. In FY24 our Code of Conduct will be reviewed and strengthened, if required.
- (2) Registration on SEDEX:** we require that all supplying sites are registered on SEDEX and have annually completed to 100% the Self-Assessment Questionnaire. We monitor responses to key questions and risk assess according to the answers such as provision of accommodation, percentage of permanent workers, and gender split.
- (3) Ethical audits:** suppliers located in high-risk origins as defined by the amfori BSCI country risk rating, or as per customers' needs, are required to undertake a regular SMETA or similar ethical audit. We work closely with suppliers to close out non-conformances, and we share good practice to help resolve issues as quickly and effectively as possible to help prevent issues reoccurring.

Additionally, in May 2024 we ran a Stronger Together UK Modern Slavery awareness workshop in collaboration with two other leading UK horticulture suppliers. Over 85% of MM's UK growers attended the workshop with provided insight into how to prevent, spot and report Modern Slavery.

## 7.3 Access to Remedy

MM recognises the responsibility we share, with our suppliers, to provide remedy to those victims of Modern Slavery or forced labour. We know that successful remediation is difficult to implement and requires a victim-led, multi-stakeholder, consultative process where protecting victims of Modern Slavery is the most fundamental principle. The below details our procedure for potential victims of Modern Slavery:

- Taken to a place of safety with appropriate security
- Vulnerabilities considered, for example, disability, gender, age
- Supported by a colleague or member of the HR team, who is able to speak in an understood language
- Provided with reassurance and welfare (food, drink, medical assistance)
- Informed of the third parties involved (if any)
- Informed of the business's remediation procedure and the support that is available to them
- Asked what remediation they are seeking, e.g., financial, psychological support

MM will help to provide access to relevant government or third-party remediation services such as the police (if it is safe to do so) or other recognised remediation authority within the UK or relevant country.

## 8. Capacity Building

Within our UK business, each employee's induction includes awareness of Modern Slavery and human trafficking. The induction pack, given to all new MM and Staffline colleagues, includes information and details on where to find more information and help on Modern Slavery. Additionally, the HR Director, all Senior Production Leaders and our Training Manager have attended the Stronger Together Workshop within the last 12 months. Awareness training forms part of our Manager Compliance Training pack which all senior managers are required to complete annually.

Information on staff responsibility in creating a working environment without discrimination or harassment is also included in the induction and posters are produced in a variety of languages. During the year we held several Modern Slavery awareness raising events including:

- Stronger Together videos played on the canteen TV screens
- Posters, proactive emails and social media communications on how to spot and report concerns including Modern Slavery displayed in both the canteen and washrooms in main languages spoken on site

## 9. Tracking our Progress

Transparency is central to tackling Modern Slavery and we are committed to sharing our progress through eight key performance indicators (KPIs). These KPIs reflect continual work in the UK and are based on an annual target. It should be noted that these KPIs were developed in 2022 and so no data is provided before this date.

| KPI  | Target | 2021/22 Achievement                         | 2022/23 Achievement | 2023/24 Achievement |
|--|--------|---|---------------------|---------------------|
| Percentage of fresh growers (directly owned & partner farms) who are registered on SEDEX                         | 100%   | 96%   | 98%                 | 99%                 |
| Percentage of fresh growers (directly owned & partner farms) who have 100% completed the SEDEX SAQ               | 100%   | 93%   | 93%                 | 80%                 |
| Percentage of fresh growers, who require an ethical audit, have completed it on time                             | 100%   | 84%   | 93%                 | 86%                 |
| Percentage of critical or above SMETA non-conformances closed out within the timeframe stipulated by the auditor | 100%   | Data collection started after report period | 74%                 | 87%                 |
| Percentage of HR team and operations people managers who have completed online Modern Slavery Training annually  | 100%   | 44%   | 84%                 | 44%                 |
| Percentage of women in supervisory and management positions  | 30%    | Data collection started after report period | 48%                 | 54%                 |
| Percentage of workforce who complete the annual employee satisfaction nGaje survey                               | 40%    | 21%   | 38%                 | 64%                 |
| Percentage of UK growers who have been engaged and encouraged to adopt best practice for Modern Slavery          | 100%   | Data collection started after report period | 100%                | 100%                |

Where we have not achieved our target internal investigations have been conducted to understand the root cause. These include growers not understanding changes in requirements on the SEDEX platform and internal training being recorded incorrectly. Plans to address these issues have been developed and implemented.

## 10. Future Plans

We will continue to focus on building our knowledge, capacity and procedures to prevent, identify and mitigate Modern Slavery in our UK operations and global supply chain through:

- Enhancing the accuracy of the data we capture and analyse
- Strengthening our internal people policies to reflect the growth of the business
- Engaging with our suppliers and customers on best practice and emerging risks
- Review how Stronger Together training is implemented to develop a programme ensuring all employees receive relevant training to an appropriate level including business leaders

We will continue to track and report on our progress, as well as review and update our KPIs, commitments and priorities.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and has been approved by the Group Leadership Team on 28<sup>th</sup> February 2025.

Phil Whelan, Managing Director